

FUND STATEMENT

FUND:
STORMWATER UTILITY FUND

Stormwater is the rainfall runoff that comes from impervious surfaces, such as parking lots and rooftops, and flows into the city's streams and rivers via storm drains and drainage system infrastructure. In addition to adding pollutants to stormwater, urban development increases the quantity and velocity of runoff, so that downstream properties become more susceptible to flooding, erosion increases in channels and streams, and the land's natural beauty and habitats are lost.

Municipal governments in Texas are empowered to establish stormwater utilities and adopt a stormwater service fee under Section 552 of the Texas Local Government Code. Stormwater utility fees have been adopted in hundreds of communities nationally to pay for stormwater management programs and to fund specific stormwater functions and facilities.

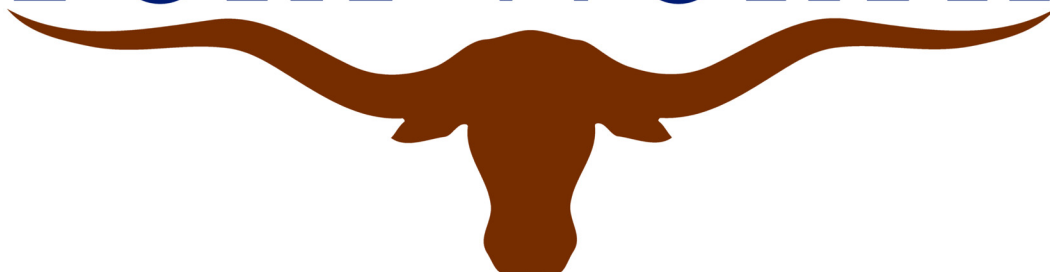
Fort Worth's Stormwater Utility Fund was established in 2006 to address runoff issues, reduce the risk of flooding in Fort Worth, preserve streams, minimize water pollution, and to more effectively operate the stormwater system in compliance with state and federal regulatory requirements. This is to be accomplished by improved master planning, enhanced coordination with developers, increased development reviews, initiating watershed studies and capital projects, more aggressive attention to infrastructure maintenance and reconstruction, and increased public education and outreach.

The Stormwater Utility Fund is an Enterprise Fund with the responsibility for providing stormwater management to approximately 200,000 residential, commercial and industrial customers. In 2013, it served approximately 767,560 residents in Fort Worth. Stormwater management is a vital issue in Fort Worth, and staff has identified over \$1.0 billion of capital projects necessary to address life safety issues, flooding, and infrastructure damage.

The Stormwater Utility rates are structured based on impervious surface area as the measure of each property's contribution to stormwater runoff, and the applicable fee is billed monthly. Impervious surface is quantified into an Equivalent Residential Unit (ERU). The City's current "per ERU rate" of \$5.40, has been effective since Jan. 1, 2012.

Operations are completely financed through fees for service. Additionally, major capital projects are funded by long-term debt allowing the Fund to program and implement system expansions related to the City's growth and to replace aging infrastructure in older portions of the system in an orderly manner.

FORT WORTH



**STORMWATER FUND BUDGET SUMMARY
FY2014**

REVENUES:

Utility Fees	\$35,063,001
Interest on Investments	200,000
Salvage Sales Revenue	12,000
Miscellaneous Revenues	<u>3,000</u>

TOTAL REVENUE \$35,278,001

Uses/(Source) of Fund Balance \$0

TOTAL REVENUE SOURCES \$35,278,001

EXPENDITURES:

Personnel Services	\$7,614,156
Supplies	1,608,384
Contractual Services	<u>14,831,135</u>

TOTAL RECURRING EXPENSES \$24,053,675

DEBT SERVICE AND CAPITAL OUTLAY:

Capital Outlay	\$1,081,700
Debt Service	<u>10,142,626</u>

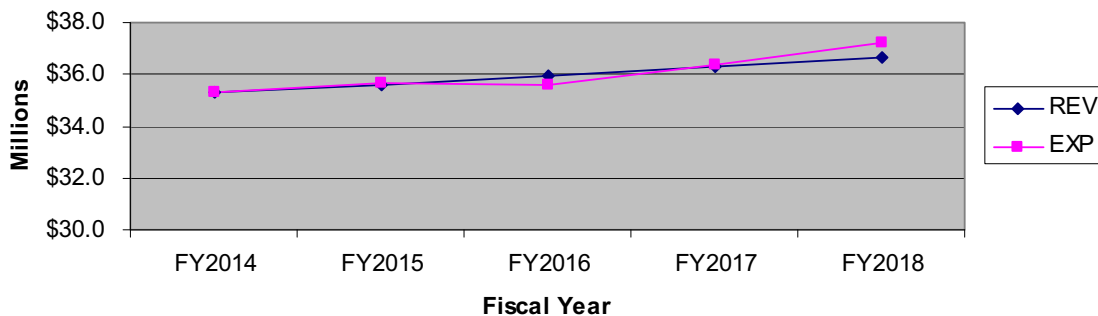
TOTAL DEBT SERVICE AND CAPITAL OUTLAY \$11,224,326

TOTAL EXPENDITURES \$35,278,001

STORMWATER UTILITY FUND FIVE YEAR FORECAST FISCAL YEAR 2014 THROUGH 2018

	FY2014 Adopted	FY2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected
Beginning Cash Balance	\$12,998,065	\$12,998,065	\$12,922,141	\$13,247,607	\$13,141,640
<u>Revenues*</u>					
Interest	\$200,000	\$138,547	\$138,547	\$138,547	\$138,547
Utility Income	\$35,063,001	\$35,413,631	\$35,767,767	\$36,125,445	\$36,486,699
Other Revenue	\$15,000	\$10,000	\$10,000	\$10,000	\$10,000
Total Revenue	\$35,278,001	\$35,562,178	\$35,916,314	\$36,273,992	\$36,635,246
Total Resources	\$48,276,066	\$48,560,243	\$48,838,455	\$49,521,599	\$49,776,887
<u>Expenditures</u>					
Personnel Services	\$7,614,156	\$7,678,978	\$7,750,424	\$7,826,301	\$7,906,905
Supplies	\$1,608,384	\$1,648,594	\$1,698,051	\$1,748,993	\$1,801,463
Contractual	\$14,831,135	\$15,424,380	\$16,041,356	\$16,683,010	\$17,350,330
Capital	\$1,081,700	\$750,000	\$750,000	\$750,000	\$750,000
Debt Service	\$10,142,626	\$10,136,151	\$9,351,018	\$9,371,655	\$9,385,305
Total Expenditures	\$35,278,001	\$35,638,102	\$35,590,848	\$36,379,959	\$37,194,003
Projected Variance	\$0	(\$75,924)	\$325,466	(\$105,967)	(\$558,757)
Projected Cash Balance	\$12,998,065	\$12,922,141	\$13,247,607	\$13,141,640	\$12,582,883
Reserve Requirement (20%)	\$4,810,735	\$4,950,390	\$5,097,966	\$5,251,661	\$5,411,740
Excess/(Deficit)	\$8,187,330	\$7,971,750	\$8,149,641	\$7,889,979	\$7,171,144

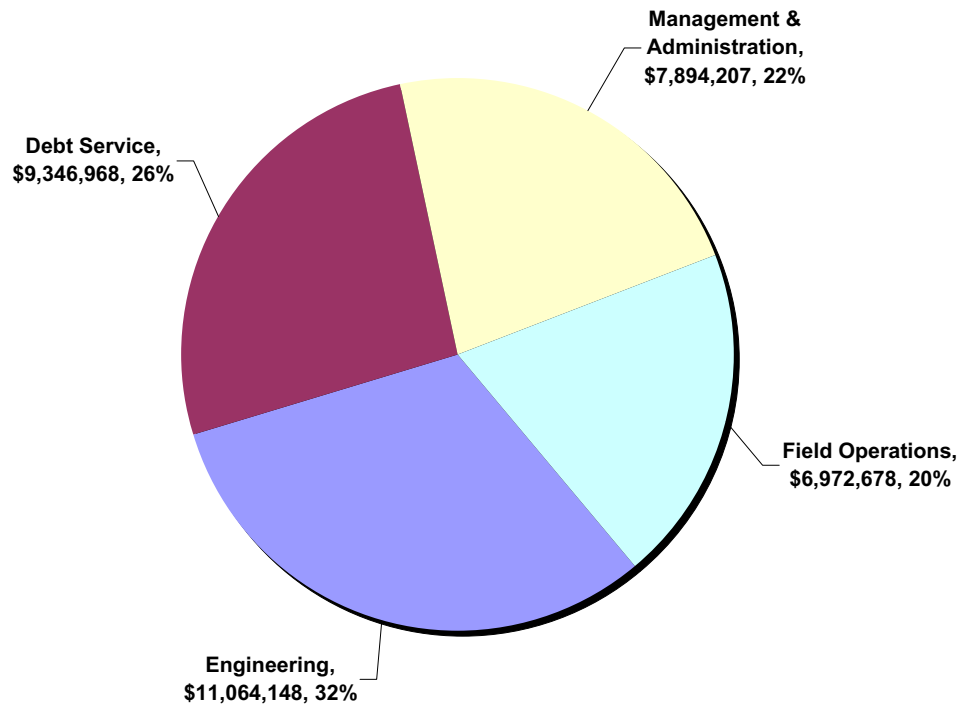
STORMWATER UTILITY FUND PROJECTED REVENUES AND EXPENDITURES



* This model reflects anticipated future bond sales and does **not** reflect any rate increases for the next five years.

**COMPARISON OF STORMWATER UTILITY FUND
EXPENDITURES**

	ACTUAL	ACTUAL	BUDGET	REVISED	ADOPTED
	FY2011	FY2012	FY2013	BUDGET	FY2014
Engineering	\$11,056,035	\$8,117,601	\$10,677,585	\$18,183,982	\$11,064,148
Debt Service	6,189,114	9,331,594	9,378,405	9,378,405	9,346,968
Management & Administration	11,168,210	7,066,879	7,762,253	8,105,101	7,894,207
Field Operations	<u>5,973,037</u>	<u>6,383,226</u>	<u>6,875,976</u>	<u>8,096,819</u>	<u>6,972,678</u>
TOTAL	\$34,386,396	\$30,899,300	\$34,694,219	\$43,764,307	\$35,278,001

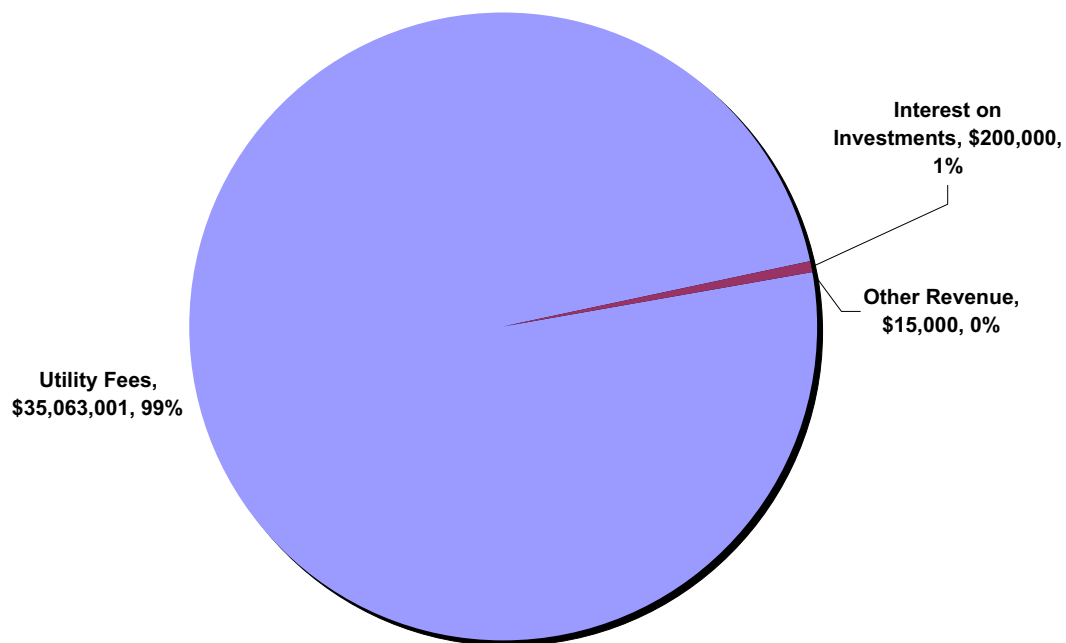


FORT WORTH



**COMPARISON OF STORMWATER UTILITY FUND
REVENUES**

	ACTUAL	ACTUAL	BUDGET	REVISED	ADOPTED
	FY2011	FY2012	FY2013	BUDGET	FY2014
				FY2013	
Utility Fees	\$29,397,392	\$32,453,496	\$34,386,588	\$34,386,588	\$35,063,001
Interest on Investments	291,054	305,150	292,631	292,631	200,000
Salvage Sales Revenue	0	0	12,000	12,000	12,000
Miscellaneous	71,450	111,205	3,000	102,707	3,000
Unrealized Gain	<u>90,432</u>	<u>62,498</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$29,850,328	\$32,932,349	\$34,694,219	\$34,793,926	\$35,278,001



FORT WORTH



FUND BUDGET SUMMARY

DEPARTMENT:

T/PW, STORMWATER UTILITY FUND

FUND/CENTER

PE69/0209000:0209600

SUMMARY OF FUND RESPONSIBILITIES:

The Stormwater Utility Fund is an Enterprise Fund with the responsibility for providing stormwater management to approximately 200,000 residential and non-residential customers in the City of Fort Worth. The Stormwater Management Division is responsible for managing the entire municipal storm drain system, including discharges to and from the municipal system.

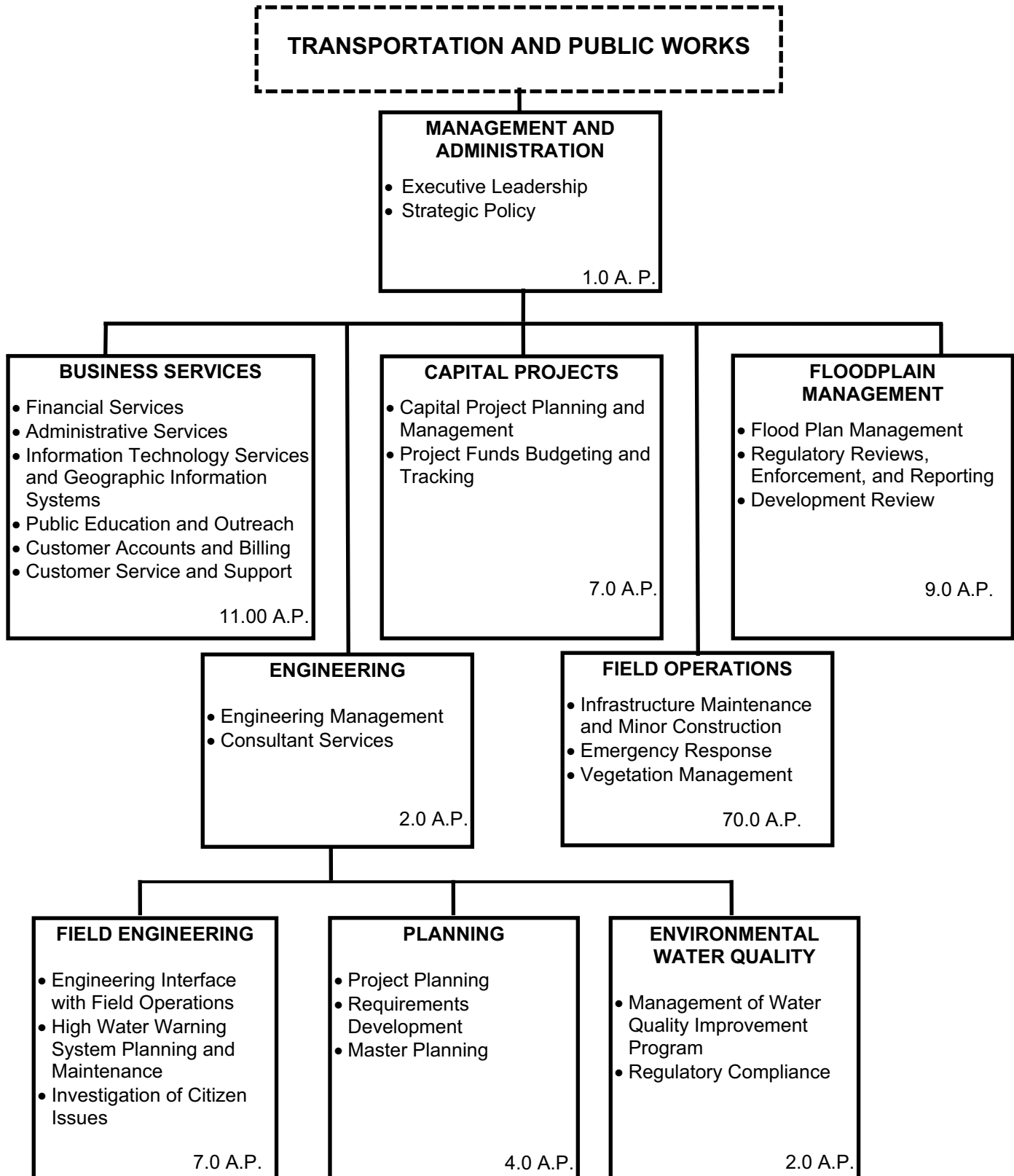
Stormwater Management is a division within the Transportation and Public Works Department, formed around the recognized requirement for the City to develop and implement a cohesive, focused program to protect people and property from harmful stormwater runoff.

Stormwater Management is responsible for planning, constructing, operating and maintaining the city-owned storm system including conducting watershed studies to identify needed improvements, reviewing new development for compliance with stormwater plans and standards; cleaning open channels, catch basins, storm drains, and culverts; reestablishing vegetation following construction or due to flooding/erosion; performing repairs in response to system failures, aging and damages; and responding to storms and other emergencies.

The assessment of the stormwater infrastructure is an ongoing effort; however the current estimate for needed capital improvements to address life safety issues, flooding and infrastructure protection is over \$1.0 billion.

Allocations	Actual FY2012	Adopted FY2013	Proposed Budget FY2014	Adopted Budget FY2014
Personnel Services	\$ 6,873,518	\$ 7,645,188	\$ 7,614,156	\$ 7,614,156
Supplies	1,271,535	1,732,735	1,608,384	1,608,384
Contractual	12,126,029	14,851,901	14,831,135	14,831,135
Capital Outlay	1,249,603	1,085,990	1,081,700	1,081,700
Debt Service	9,378,615	9,378,405	10,142,626	10,142,626
Total Expenditures	\$ 30,899,300	\$ 34,694,219	\$ 35,278,001	\$ 35,278,001
Authorized Positions	105.00	115.00	113.00	113.00

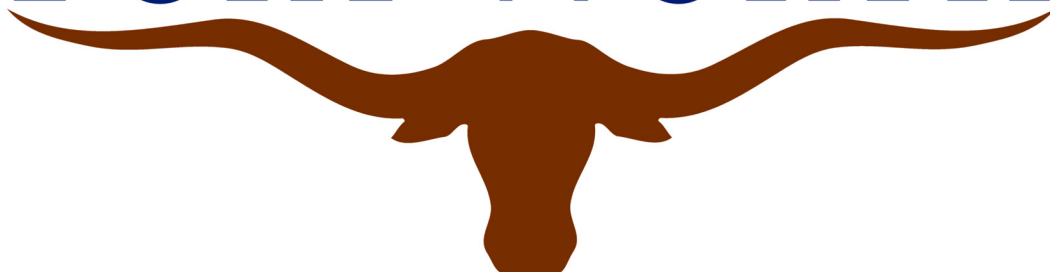
STORMWATER UTILITY FUND - 113.0 A. P.



SIGNIFICANT BUDGET CHANGES

DEPARTMENT:		FUND/CENTER	
STORMWATER UTILITY FUND		PE69/0209000:0209600	
CHANGES FROM FY2013 ADOPTED TO FY2014 ADOPTED			
FY2013 ADOPTED:	\$34,694,219	A.P.	115.00
FY2014 ADOPTED:	\$35,278,001	A.P.	113.00
<p>A) The adopted budget decreases by (\$351,000) and six authorized senior customer service representative positions being transferred to the Water and Sewer Fund. The transfer of the positions is the result of a new customer service provision plan.</p> <p>B) The adopted budget increases by \$211,568 and three authorized positions, including a professional engineer, graduate engineer and senior engineer technician, in the Stormwater Development Review division. The addition of these positions will improve the Department's ability to manage the increased permit review workload resulting from continued growth in development activity.</p> <p>C) The adopted budget increases by \$80,766 and one authorized professional engineer position in the Floodplain Management division. The addition of the position will improve the Department's ability to perform floodplain management for the Federal Emergency Management Agency's (FEMA) Community Rating System and Cooperating Technical Partnership programs.</p> <p>D) The adopted budget decreases by (\$1,478,440) in contractual services due to the completion of major initiatives, including the geographic information system infrastructure assessment/mapping study, Workorder Asset Management program and Flood Warning Study.</p> <p>E) The adopted budget increases by \$450,449 for consultants primarily related to field engineering design and an initiative to correct FEMA/RAMPP flood models.</p> <p>F) The adopted budget increases by \$415,469 for intrafund transfers to the Stormwater Capital Projects Fund.</p> <p>G) The adopted budget increases by \$296,070 for payment in lieu of taxes (PILOT) to the General Fund.</p> <p>H) The adopted budget decreases by (\$173,290) for vehicles based on the approved FY2014 vehicle replacement plan.</p> <p>I) The adopted budget increases by \$169,000 for construction and maintenance equipment to support daily channel reconstruction and concrete maintenance operations.</p> <p>J) The adopted budget increases by \$100,000 for engineering services needed for surveying, easement preparations and right-of-way acquisitions.</p> <p>K) The adopted budget decreases by (\$99,200) for postage as the Department's annual reports are no longer required to be distributed via regular mail.</p> <p>L) The adopted budget increases by \$77,564 for administrative services due to an increase in the indirect cost allocation charged to the City's proprietary funds. The charges reflect the cost to the General Fund for overhead and staff support to accomplish services for other funds and are calculated annually by an outside consultant.</p> <p>M) The adopted budget decreases by (\$71,546) for group health based on plan migration, turnover and a 2.7% increase in the City's contribution to group health.</p>			

FORT WORTH



DEPARTMENTAL OBJECTIVES AND MEASURES

DEPARTMENT:
STORMWATER UTILITY FUND
DEPARTMENT PURPOSE

The Stormwater Utility Fund is an Enterprise Fund with the responsibility for providing stormwater management to residential and non-residential customers in the City of Fort Worth. Stormwater Management is a division within the Transportation and Public Works Department, formed around the recognized requirement for the City to develop and implement a cohesive, focused program to reduce the harmful effects of stormwater runoff.

FY2014 DEPARTMENTAL OBJECTIVES

To manage new development growth and substantially mitigate flood risk for properties by designing and constructing drainage improvements and addressing infrastructure deficiencies in drainage conveyance and capacity.

To protect people and property at low water crossings by installing and maintaining advanced warning devices.

To maintain drainage capacity and improve performance of inlets, channels and drainage ditches by maintaining them at their designed condition and capacity.

To respond quickly and appropriately to drainage issues brought to our attention by our customers by performing an initial site visit within 72 hours.

DEPARTMENTAL MEASURES	ACTUAL FY2012	ESTIMATED FY2013	PROJECTED FY2014
Properties mitigated from flood risk through the capital improvement	69	60	20
Design and construction contracts	\$25M	\$25M	\$40M
Average daily traffic alleviated from risk of floodwaters crossing the roadway through infrastructure construction	26,000	9,200	1,000
New advanced warning devices installed	0	18	19
Drainage inlets inspected and cleaned	7,765	7,000	7,250
Investigate drainage requests within 72 hours	98%	98%	98%

FORT WORTH



DEPARTMENTAL SUMMARY BY CENTER

DEPARTMENT TRANSPORTATION & PUBLIC WKS		ALLOCATIONS				AUTHORIZED POSITIONS			
FUND PE69 STORMWATER UTILITY FUND		Actual Expenditures FY2012	Adopted Budget FY2013	Proposed Budget FY2014	Adopted Budget FY2014	Adopted Budget FY2012	Adopted Budget FY2013	Proposed Budget FY2014	Adopted Budget FY2014
Center	Center Description								
0209000	<u>MANAGEMENT AND ADMIN</u> GENERAL ADMINISTRATION	\$ 6,482,314	\$ 5,527,310	\$ 6,776,472	\$ 6,776,472	4.00	4.00	4.00	4.00
0209001	CUSTOMER SERVICE	445,223	456,060	105,652	105,652	8.00	8.00	2.00	2.00
0209002	PUBLIC OUTREACH	139,239	483,064	458,624	458,624	1.00	1.00	1.00	1.00
0209003	IT SERVICES	0	1,295,819	553,459	553,459	0.00	1.00	5.00	5.00
	Sub-Total	<u>\$ 7,066,776</u>	<u>\$ 7,762,253</u>	<u>\$ 7,894,207</u>	<u>\$ 7,894,207</u>	<u>13.00</u>	<u>14.00</u>	<u>12.00</u>	<u>12.00</u>
	<u>CUSTOMER SERVICE</u>								
0209101	SERVICE REQUESTS	\$ 88	\$ 0	\$ 0	\$ 0	0.00	0.00	0.00	0.00
0209102	PUBLIC OUTREACH	15	0	0	0	0.00	0.00	0.00	0.00
	Sub-Total	<u>\$ 103</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	<u>PLANNING AND ENGINEERING</u>								
0209201	ENGINEERING	\$ 246,027	\$ 368,686	\$ 268,608	\$ 268,608	2.00	3.00	2.00	2.00
0209202	PLANNING	4,059,626	3,410,832	3,486,921	3,486,921	2.00	4.00	4.00	4.00
0209203	FIELD ENGINEERING	897,103	1,322,736	1,538,223	1,538,223	8.00	8.00	7.00	7.00
0209204	GIS	2,171,992	322,932	0	0	4.00	4.00	0.00	0.00

DEPARTMENTAL SUMMARY BY CENTER

DEPARTMENT TRANSPORTATION & PUBLIC WKS		ALLOCATIONS				AUTHORIZED POSITIONS			
FUND PE69 STORMWATER UTILITY FUND		Actual Expenditures FY2012	Adopted Budget FY2013	Proposed Budget FY2014	Adopted Budget FY2014	Adopted Budget FY2012	Adopted Budget FY2013	Proposed Budget FY2014	Adopted Budget FY2014
Center	Center Description								
0209205	CAPITAL PROJECTS	148,667	3,520,088	3,929,828	3,929,828	2.00	7.00	7.00	7.00
0209207	FLOODPLAIN MANAGE- MENT	594,186	1,732,311	1,597,107	1,597,107	4.00	5.00	9.00	9.00
0209208	STORMWATER ENVI- RONMENTAL QUALITY	0	0	243,461	243,461	0.00	0.00	2.00	2.00
	Sub-Total	\$ 8,117,601	\$ 10,677,585	\$ 11,064,148	\$ 11,064,148	22.00	31.00	31.00	31.00
	<u>OPERATION AND MAIN- TENANCE</u>								
0209301	FIELD OPERATIONS	\$ 6,383,226	\$ 6,875,976	\$ 6,972,678	\$ 6,972,678	70.00	70.00	70.00	70.00
	Sub-Total	\$ 6,383,226	\$ 6,875,976	\$ 6,972,678	\$ 6,972,678	70.00	70.00	70.00	70.00
	<u>DEBT SERVICE</u>								
0209600	DEBT SERVICE	\$ 9,331,594	\$ 9,378,405	\$ 9,346,968	\$ 9,346,968	0.00	0.00	0.00	0.00
	Sub-Total	\$ 9,331,594	\$ 9,378,405	\$ 9,346,968	\$ 9,346,968	0.00	0.00	0.00	0.00
	TOTAL	\$ 30,899,300	\$ 34,694,219	\$ 35,278,001	\$ 35,278,001	105.00	115.00	113.00	113.00